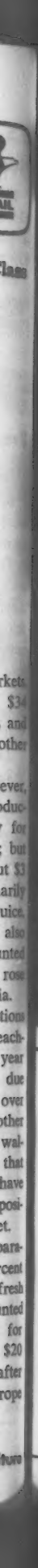

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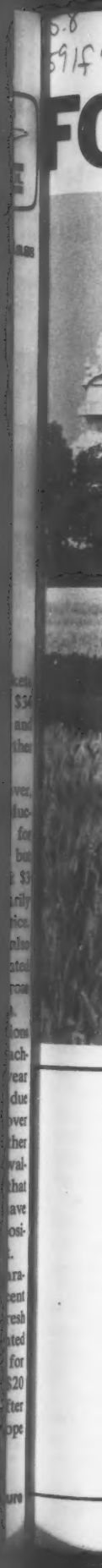

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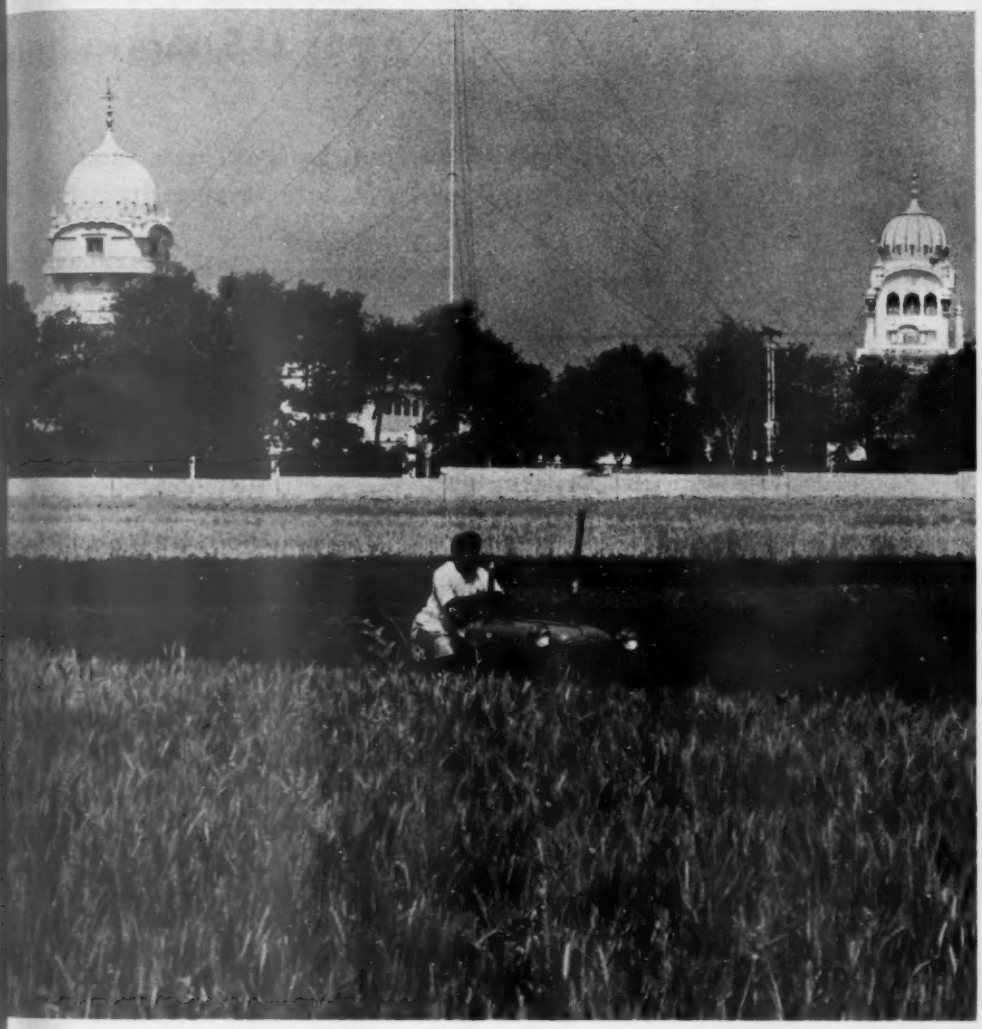

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TECHNOLOGY & SCIENCE

India's Agricultural Production—25 Years After Independence

FOREIGN AGRICULTURAL SERVICE

U.S. DEPARTMENT OF AGRICULTURE

FOREIGN AGRICULTURE

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This week's cover:

Against a backdrop of two Sikh temples, an Indian farmer on tractor observes his ripening wheat field. Wheat production has almost quadrupled in the 25 years since Independence. See story on page 4. (Photo: Rockefeller Foundation.)

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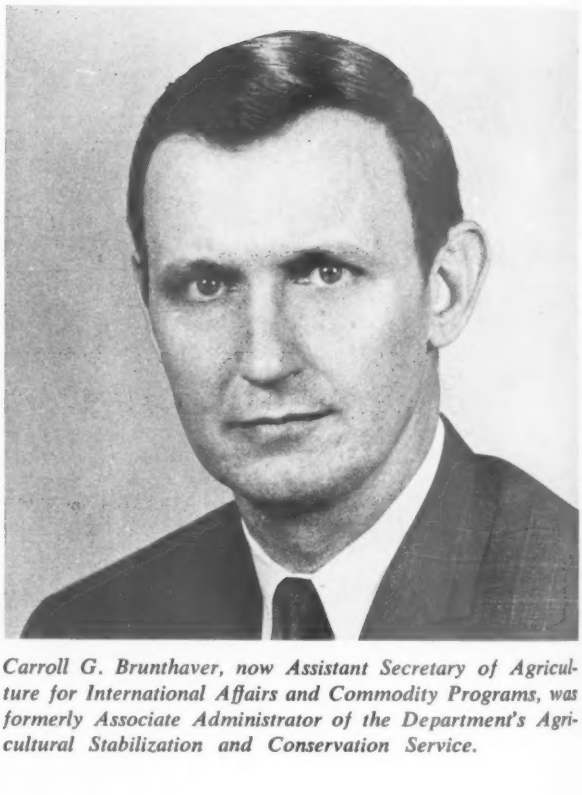

Carroll G. Brunthaver, now Assistant Secretary of Agriculture for International Affairs and Commodity Programs, was formerly Associate Administrator of the Department's Agricultural Stabilization and Conservation Service.

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runthaver Analyzes Record xports in Fiscal 1972

A "giant step" toward the goal of $10 billion in annual exports of U.S. agricultural products.

The idea of export expansion is built into our domestic farm program. It is basic to the future of an agriculture that continues to improve its efficiency and its productive capacity.

A continued expansion of export markets will not be easy. There are obstacles. But there also can be tremendous rewards. And, at the present time, there is good reason for optimism.

A year ago, we were beginning a new export year after 2 straight years of market expansion. But the new year was starting out like anything but a winner.

West coast ports were closed by a work stoppage, and other strikes were to follow. We feared that agricultural exports would be hurt, and they were. Last year's decline in exports to Japan was partly due to the west coast strike.

We were also in a year of huge grain supplies around the world—and record crops in the United States. We believed that this would slow our exports of grain and leave us with enlarged carryovers at the end of the year. Again we were right: The feedgrain carryover rose by 20 million tons and the wheat carryover by almost 200 million bushels.

Yet here we are at the beginning of another year, and what is the export situation? We have just completed another record export year—$8 billion, the third increase in a row.

In accomplishing this, agriculture added $7 billion in dollar exports to the nation's trade account—another record.

Moreover, the new fiscal year is starting off with excellent prospects—sparked by the opening of the Soviet Union as a major long-term market for U.S. grains.

Finally, these record exports are contributing in a major way to farmers' net income—which for calendar 1972 will be up $1.5 to $2 billion over last year and a new alltime record.

What happened? What turned fiscal 1972 into a record export year and put us a giant step on the way to the $10-billion export goal set for us by President Nixon.

There were some natural factors—for example, the falloff in grain production in Argentina. There were monetary causes, too—the currency realinements triggered by the President's actions of last August. There was also the cumulative effect of the overseas market development work that has done so much to familiarize the world with U.S. products and product uses in the past decade and a half.

Over and beyond these continuing influences, we are finding a surprising strength in world demand, particularly for feedstuffs. This is a demand that U.S. agriculture is particularly well equipped to satisfy—by reason of natural advantages and a national policy that favors a market agriculture.

The major policy thrust of this decade—and it is manifest in many ways—is to enable our farmers to produce for the market, and thus to profit from the growth of this Nation and the world economy. This effort could not be more timely in view of the economic changes going on in the world.

As one student of international finance puts it: "We do not know how historians will appraise the last one-third of the 20th century, but if present trends continue, our age may well be known as the age of transition from the international to the world economy."

I believe we are headed toward a world economy. Despite the present tendency for the world to divide itself into trading blocs, there are forces working in a more constructive direction, and the wave of the future is toward world economic integration.

It is particularly important for U.S. farmers to be a part of the world economy, because our agriculture needs to expand and overseas markets offer that opportunity. In the past 3 years alone, our commercial dollar exports have grown by 50 percent—and there is enormous potential in the rise of living standards around the world.

So it was with one eye to export growth that Congress and the Administration, in 1970, got together on a new type of farm program that gives market forces a larger role in farming decisions. This is the second year in which the grain and cotton farmer—after setting aside a certain acreage—has the general freedom to produce for what he conceives to be his best market opportunity. Moreover, the loan levels under the 1970 Act enable U.S. agriculture to export at competitive prices while assuring farmers a good deal of income protection at the same time.

Thus the world market is working directly to influence the U.S. producer's decisions and provide a market for his output. Free of commodity-by-commodity controls, the producer is able to change his production pattern to emphasize those crops that he knows best and is best able to produce for a profit—taking into account world demand as well as domestic.

There is much evidence that American farmers are using this program well. They are making changes in production patterns that are desirable from the standpoint of both the individual producer and the total of U.S. agriculture. And wherever production becomes more efficient, this helps the U.S. product to compete in world trade.

Last year when grain and cotton farmers were allowed for the first time to choose their own farming patterns, 90 percent of U.S. farmers either over-

(Continued on page 12)

High-yielding wheat has helped output multiply by nearly four since 1947

India's Agricultural Production—Twenty-five Years After Independence

By D. V. KHOSLA
Office of U.S. Agricultural Attaché
New Delhi

New varieties plus expanded irrigation have aided in doubling rice harvests.

India achieved Independence on August 15, 1947, and will celebrate its silver jubilee on August 15, 1972. During the past quarter of a century since Independence, India has made highly important gains in expanding its agricultural production.

Agriculture and allied activities provide a livelihood for about 70 percent of the Indian people and account for nearly half of the country's national income. India's farms provide food for its teeming millions and raw materials for some of its major industries, and exports of farm products account for about one-third of the country's foreign exchange earnings.

Prior to Independence, India was largely a country of self-sustaining villages in which traditional agriculture, based on centuries of experience, was not a business but a way of life. Most essentials were home-produced and imports were limited.

In the early 1950's Indian leaders and visiting specialists recognized that the country's traditional agricultural practices must be modernized if it was to produce enough food to meet the needs of its rapidly expanding population. The Indian Government, assisted by the U.S. Agency for International Development, the Ford and Rockefeller Foundations, international agencies, and many individual nations, responded with an intensive Agricultural Development Program which included the inputs necessary to begin a transition to a modern and higher producing agricultural industry.

The Indian farmers responded to the development efforts and agricultural production has shown remarkable progress in the past 25 years, despite periods of drought which usually occur every 5 years.

The production data shown in the table on page 6 are summarized by designated time periods. For example, column 1 shows average production for the 4 crop years between the time of Independence in 1947 and the beginning of the first 5-year plan in April 1951. Columns 2, 3, and 4 show average production data for the first, second, and third 5-year plans. In the mid-sixties, drought delayed the beginning of the fourth 5-year plan by 3 years. Average data for these 3 "between-plan" years are shown in column 5. Finally, average production during the first 3 years of the fourth 5-year plan is summarized in column 6; and the differences from the preplan aver-

Potatoes (above) and corn (above right) have become both more important and more plentiful; sorghum (right), a traditional food, has gained like corn from hybridization.

ages are shown in column 7.

Spectacular increases among food crops in the last 25 years were in foodgrains, with a rise of 101 percent; sugar (in terms of raw brown sugar), 146 percent; and potatoes, 196. Among the foodgrains, wheat production almost quadrupled and rice production almost doubled. Oilseed output increased by over 70 percent. Production of cotton and jute more than doubled. Plantation crops—tea, coffee, and tobacco—also increased.

In addition to the influence of weather, the overall increase in agricultural production during the past quarter of a century is attributed largely to incentive prices to producers, expansion in the area under irrigation, increased use of chemical fertilizers and pesticides, greater use of high-yielding varieties of seeds, and some improvement in farm credit and marketing facilities.

Incentive prices. The policy of assuring minimum support prices to producers of agricultural commodities was started in the early sixties for wheat and rice. It has been extended gradually to cover all foodgrain and other important cash crops. Government support prices intitially were in the nature of long-term guarantees to producers so that, in the event of a sharp decline in prices, incomes would not be allowed to fall unduly. Since the mid-sixties, however, support prices have been raised to encourage farmers to increase production.

In the case of foodgrains, each year the Government has been establishing procurement prices, considerably higher than the support prices, at which it has been buying all grain offered by farmers. Examples of current Government purchase prices paid to farmers, expressed in U.S. units for average quality products, are: Wheat $2.76 per bushel; corn, $1.86 per bushel; grain sorghum, $3.32 per 100 pounds; millet, $3.32 per 100 pounds; and cotton, $152 to $182 per U.S. bale.

Irrigation. According to available data, the gross sown area under all crops increased 15.6 percent, from 340.2 million acres in 1952-53 to 393.4 million in 1968-69. Gross irrigated area during the same period increased about 60 percent from just over 52 million acres to 83.5 million. The expansion of irrigation facilities increased the scope for successive production of two or more crops a year on the same land and also made it possible for farmers to shift to higher yielding varieties of seed which need more water and make greater use of the fertilizers and inputs necessary for increased production per unit of land.

Fertilizers. In 1947, India's consumption of chemical fertilizers, in terms of nutrient content, was only 7,000 metric tons, less than a half pound per acre of gross sown area. From 1952-53 to 1971-72, fertilizer consumption increased from 65,700 tons to 2.6 million (estimated)—the latter comprising 1.8 million tons of N, 565,000 of P_2O_5 and 303,000 of K_2O. It is estimated that about two-thirds of the fertilizer is used on foodgrains and the remaining third on other crops.

Improved seed. The high-yielding varieties program (HYVP), initiated in 1965, has been one of the more successful programs for increasing foodgrain production. The total area planted to high-yielding varieties increased from 4.7 million acres in 1966-67 to 44.2 million in 1971-72, rising from nearly 2 to 17 percent of the total area planted to grains. The share of grain production provided by high-yielding varieties is estimated to have increased from about 5 percent in 1966-67 to between 25 and 30 percent

Fiber production—cotton (above) and jute—has more than doubled since Independence came.

Ruined potato crop (above) and ration queue (above right) symbolize period's droughts.

Below, field of winter wheat. Tubewells, many financed by the International Development Association, have helped increase irrigated area.

Pesticide Indo-An been a k raising y use bega

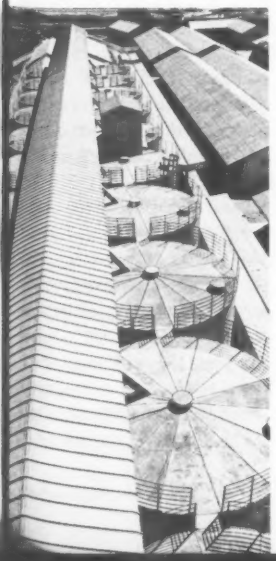
INDIA: PROGRESS IN PRODUCTION OF PRINCIPAL CROPS SINCE INDEPENDENCE

Commodity	Preplan average, 1947-48 through 1950-51	1st 5-yr. plan, 1951-52 through 1955-56	2d 5-yr. plan, 1956-57 through 1960-61	3d 5-yr. plan, 1961-62 through 1965-66	3-year average, 1966-67 through 1968-69	1st 3-years 4th plan 1969-70 through 1971-72	Percent increase column 6 over column 1
	1,000 bales[1]	*1,000 bales*[1]	*1,000 bales*[1]	*1,000 bales*[1]	*1,000 bales*[1]	*1,000 bales*[1]	*Percent*
Fibers:							
Cotton	2,345	3,658	4,542	5,099	5,190	5,437	132
Jute	2,539	3,929	4,441	5,684	4,870	5,435	114
Kenaf	([2])	853	1,357	1,684	1,133	1,171	[3] 37
	1,000 m. tons	*1,000 m. tons*	*1,000 m. tons*	*1,000 m. tons*	*1,000 m. tons*	*1,000 m. tons*	
Foodgrains:							
Wheat	6,018	7,901	9,736	11,070	15,528	23,113	284
Rice	21,990	25,038	30,332	35,155	35,937	42,293	92
Coarse grains	16,048	20,198	22,179	23,672	26,011	27,942	74
Total cereals	44,056	53,136	62,246	69,897	77,473	93,348	112
Pulses	8,316	10,044	11,753	11,143	10,289	11,756	41
Total foodgrains	52,372	63,181	73,999	81,040	87,765	105,104	101
Oilseeds:							
Groundnut (peanut)	3,306	3,534	4,726	5,125	4,924	5,565	68
Castor	115	113	109	99	116	136	18
Sesame	392	511	400	442	428	506	29
Rape and mustard	777	914	1,086	1,267	1,381	1,876	141
Linseed	412	380	389	419	342	465	13
Total oilseeds	5,000	5,453	6,710	7,353	7,191	8,547	71
Other crops:							
Sugarcane (gur) [4]	5,352	5,541	8,107	11,126	10,704	13,159	146
Tea	264	288	316	357	388	414	57
Coffee	20	27	41	48	70	80	300
Potatoes	[5] 1,503	1,857	2,306	3,217	4,160	4,451	196
Tobacco	254	257	292	338	361	354	39

[1] Bales of 396.8 pounds (180 kilograms). [2] Not available. [3] Increase in column 6 over column 2. [4] Raw brown sugar. [5] 3-year average, 1948-49 through 1950-51. Source: 1947-48 through 1970-71, Directorate of Economics and Statistics, Ministry of Agriculture; 1971-72, Attaché Office estimates.

Old and new ways mingle. Above, rice threshing and cleaning with aid of machinery; left, winnowing by hand.

Pesticides—many made by Indo-American firms—have been a key factor in raising yields. Expanded use began in 1950's.



Above, Andhra Pradesh Agricultural University's sorghum germ plasm collection helps breeders plan new varieties; left, modern grain storage, Hapur.

in 1971-72. Encouraged by the results of the new wheat and rice varieties, Indian scientists now are searching for improved varieties of pulses, oilseeds, and cotton.

Pesticides. The use of pesticides on a significant scale in Indian agriculture began in the early 1950's and has increased substantially in recent years. The crop area treated with pesticides rose from about 5.9 million acres in 1955-56 to about 118.6 million in 1969-70 and an estimated 128.5 million in 1970-71. Consumption of technical grade pesticide materials increased from a mere 460 metric tons in calendar 1954 to about 40,000 tons at present. This has contributed significantly to reduction in crop losses from pests and thus augmented the country's supply of farm products.

Other factors. Besides increased and improved physical inputs, there has been increased emphasis on building up the supporting framework and services, including better transport, storage, and marketing facilities; cheaper and more timely credit to needy farmers; expansion in rural electrification and farm mechanization programs; strengthening of research, education, and extension programs; and overall community development projects aimed at improving the efficiency of farm workers. Land reform measures introduced to bring about institutional changes for the benefit of the farming community have not been fully effective because of slow and vacillating implementation of proposals.

Much of the gain in agricultural production since Independence, however, has been obscured by the rise in population. India's population has increased about 65 percent to 560 million in 1972 from an estimated 340 million in 1947. Population is now increasing at the rate of more than 1 million persons a month. Consequently, the gains in the per capita production of most commodities have not been as impressive as the increases in total production may indicate.

While the per capita production of foodgrains increased from an annual average of 330.7 pounds during the 4 years, 1947-48 to 1950-51, to an average of 418.9 pounds during the 3 years ending in 1971-72, the per capita production of oilseeds during the same period increased to only 34.4 pounds from 30.9 pounds and cotton rose from 2.6 pounds to less than 4 pounds.

Cotton Sales Mission to Far East Reports Continued Preference For U.S. Cotton

By KENNETH E. FRICK
Administrator
Agricultural Stabilization and Conservation Service

In the four largest Far Eastern markets for U.S. cotton—Japan, Korea, Taiwan, and Hong Kong—the United States has an excellent opportunity for sales during 1972-73, provided it produces the quantity and qualities of cotton the mills desire. This was the conclusion of a U.S. cotton trade mission that visited the area during the past spring.[1]

The mission found that customers in the four markets still prefer U.S. cotton, all other things being equal, because the U.S. cotton trade has a reputation for reliability in meeting contracts even on a rising market. The importance of this reputation, the group pointed out, can hardly be exaggerated. Important too, and a major asset, is the extensive network of sales agents representing U.S. cotton in the area.

Cotton as a fiber is holding its own in the textile industries of the countries visited, the mission reported. Mill people still have confidence in it and prefer its use if it is competitive in price, quality, and availability. In fact, man-made fibers were little mentioned during the discussions carried on at mills.

Subjects discussed at each stop included transportation; quality and packaging; credit, barter, and Public Law 480 programs; forward crop contracting; the competitive situation; and market development.

Transportation. This subject loomed large during the meetings. In Japan, the mission was told that freight rates are significantly higher for U.S. cotton from the gulf coast than for other growths from comparable distances and that this disparity definitely hurts U.S. cotton sales to Japan. It was estimated that shipping costs for U.S. cotton are perhaps as much as 1 cent per pound higher than those for cotton from south Brazil, even though the Brazilian cotton moves over a longer distance.

Taiwan still requires that all shipments of U.S. cotton from the gulf move on Republic of China flag vessels. When the mission pointed out that this leads to problems of uncertain delivery dates and unnecessary carrying costs, the Chinese Government agreed to consider waiving the requirement in instances where it could be shown that adequate service was not available on Chinese-flag vessels and to urge the Chinese lines to provide such service.

In Hong Kong, the mission was told that Pakistani cotton enjoys a freight differential of 130 points per pound over U.S. cotton and that the difference will go to 200 points if a planned increase in U.S. rates goes into effect.

Considerable interest was expressed in the potential advantages and savings offered by container shipments of cotton. A special advantage in this part of the world is that containers offer free storage under cover until they are opened. However, container shipments to Japan cost more than break-bulk cargo shipments at the present time, although they should be cheaper because of less handling and delay.

Quality and packaging. Japan needs higher Pressley strength cotton than it did in the past, because of faster spinning speeds and higher yarn counts now being spun in Japanese mills (the average is 31's). For the same reasons, the Japanese prefer uniform cotton, and the uniformity of California SJ-1 appeals to them.

One of the few quality complaints came from Taiwan, where some cotton was received—including some reginned cotton—that was far below the contract quality, and the resulting arbitration awards could not be collected. Investigation revealed that—as is often the case—the cotton was purchased from a relatively unknown shipper at a bargain price. The mission suggested that mills be advised to buy U.S. cotton only from U.S. marketing cooperatives and members of the American Cotton Shippers Association. Thus they would receive the protection offered to buyers by ACSA rules.

The Japanese had to cancel some contracts for West Texas cotton in 1971-72 because of its low quality, and replace it with non-U.S. growths. Some of the resulting trade contacts will probably continue in the future, to the detriment of U.S. cotton. However, the mission believes that since purchasing U.S. cotton is so convenient, the Japanese will return to it whenever they find that adequate supplies of the qualities they want are available at competitive prices.

The mission received the usual complaints about poor packaging of the U.S. bale. In response, team members told mills about new developments such as the shrink pack covering, which offer hope of improvement. It also reported on developments concerning the universal-density pack, which seemed to interest mills. Discussing this in Japan, the mission touched on the need for changing the Osaka rules to permit delivery of universal-density as well as high-density bales.

Credit, barter, and P.L. 480. Japan is eager to continue receiving Export-Import Bank (EIB) financing, even though ample credit is available from Japanese sources. This type of financing, the mission was told, has become an integral part of the Japanese mills' purchasing system. It has unquestionably helped hold a large portion of the Japanese market for U.S. cotton.

[1] The mission was sponsored by USDA and the Cotton Council International (CCI). Mission leader was Mr. Frick. Other members: A. Starke Taylor, Jr., of Dallas, Texas, and G. Frederick Deans of Memphis, Tenn., representing the American Cotton Shippers Association; Robert H. Squires of El Paso, Texas, representing AMCOT (a group of U.S. cotton firms); Robert L. Warren of Tahoka, Texas, and Frank Mitchener of Sumner, Miss., producer representatives; Carl C. Campbell and Thomas W. Fink, representing CCI; and H. Reiter Webb, Jr., Director, Cotton Division, FAS, team secretary.

The mission received a request by the Korean mills that EIB financing be made available to Korea next year, in addition to the 3-year Commodity Credit Corporation program and P.L. 480. For future P.L. 480 programs, the Korean mills requested not less than the current level of 150,000 bales annually. They also asked that a purchase authorization under the calendar 1972 program for 150,000 bales be issued as soon as possible, even if shipment is delayed until new-crop cotton is available.

Taiwan, too, asked for early issuance of a purchase authorization (no later than September) against its fiscal 1973 program, and requested the longest possible contracting and delivery periods.

Neither Korea nor Taiwan showed much interest in obtaining short-staple cotton under P.L. 480 for nearby delivery. Some interest might develop, the mission felt, if such cotton could be made available over and above the quantities provided under existing commitments.

The mission reported that the CCC credit and barter programs have been major aids to U.S. cotton sales in the Far East, and recommended that, in the event the United States has a large 1972-73 crop, these programs should be put to full use next year, with credits made available at an early date and for the longest practicable period.

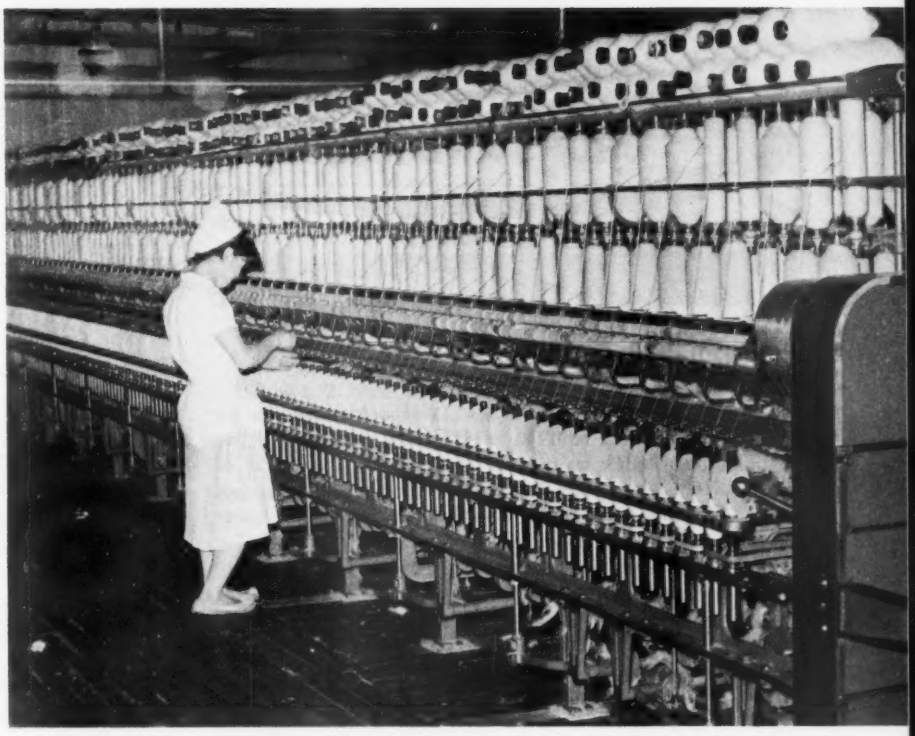
Forward crop contracting. This subject was much discussed at each stop. The mission had the impression that forward contracting was not well understood in either Taiwan or Hong Kong, and neither market was engaging in it to any appreciable degree. In Taiwan, it is not fully feasible, since the Government will not issue import licenses more than 6 months before delivery. Hong Kong has bought very little new-crop cotton, taking its usual position of day-to-day buying on a falling market. Japan, on the other hand, has bought perhaps as much as 1.5 million bales of 1972-73 cotton, including about 600,000 from the United States. Korea also has already bought some U.S. cotton for 1972-73 delivery.

Competitive situation. The Japanese pointed out that a large and growing share of their cotton market—about two-third of the total—requires 1-1/32-inch and 1-1/16-inch cotton. The United States accounts for only 10 percent of Japanese imports of this cotton. On the other hand, the United States still supplies 70 percent or more of Japan's purchases of 1-inch and shorter cotton. Pakistan made heavy inroads into this market in 1971-72.

There is also an increase in Japanese imports of low-count yarn, especially from Pakistan. Nonetheless, Japan is enjoying excellent demand for cotton textile products in its domestic market, and U.S. cotton can hardly fail to gain some benefit.

In Hong Kong, the mission was told that Pakistan is underselling the United States on 1-inch and shorter cotton, particularly since the recent devaluation, and that Pakistan still has some of this cotton from the 1971-72 crop to sell. The USSR also has cut into the low-grade cotton market here.

The market for short-staple cotton in Hong Kong has been shrinking as imports of low-count Pakistani yarn increase; but the Hong Kong spinners expect the situation to improve next year, since the bounty on exports of Pakistani yarn has terminated. Until that action was taken, Pakistani yarn was actually cheaper in Hong Kong than Pakistani raw cotton.



Spinning cotton at a large Korean mill. Korea has become a good customer for U.S. cotton as its textile industry has developed.

Market development. In Japan, the mission reminded spinners that CCI was offering them not only cooperative advertising support but technological advice. In Korea, the mission found high regard for the new CCI project there, and indications are that CCI activities in both Japan and Korea are producing worthwhile results. In Taiwan and Hong Kong, local textile people were assured that CCI would be willing to consider cooperative activities for which suitable proposals were submitted.

In all four countries, the Maid of Cotton is popular and effective. Local cotton textile industries are delighted to have the Maid visit them and indicated that they would like to have her come every year.

It was obvious to the mission, said the report submitted on the group's return, that the orientation tours of the U.S. cotton industry sponsored by CCI are a great success. Recommending that these tours be continued indefinitely, the report went on, "The tours make friends for life for U.S. cotton and we will continue to reap the benefits for many years."

CROPS AND MARKETS

COTTON

U.S. Cotton Prices Again Above Liverpool Index

For the first time in 16 weeks, Liverpool quotations for U.S. Strict Middling (SM) 1-1/16″ cotton are again above the Liverpool Index for the six cheapest of 12 growths of SM 1-1/16″ cotton. U.S. SM 1-1/16″ prices peaked at just under 42 cents per pound in early February 1972—more than 10 cents higher than year-earlier prices—because of a short U.S. crop and very strong world demand for cotton in the 1971-72 season. The Liverpool Index rose to a peak of slightly more than 40 cents per pound in mid-January.

In mid-March the United States changed its basis for Liverpool quotations to the 1972-73 crop for fall delivery, causing U.S. prices to fall a full 4½ cents and making U.S. cotton very competitive in international markets. Prospects for an increase of almost 2 million bales (480 lb. net) in the U.S. crop this season have contributed to the price decline.

Substantial increases in cotton acreage in foreign countries also point to another large foreign cotton crop in 1972-73, and good plant progress for the Northern Hemisphere crops has recently helped to move foreign quotations more into line with U.S. new crop prices. For the week ending July 13 the Liverpool Index fell 10 points below the U.S. quotations for SM 1-1/16″, reflecting in particular the very competitive level of Nicaraguan and Guatemalan prices for delivery in early 1973.

The other 7 growths of SM 1-1/16″ cotton now quoted in Liverpool average 1.7 cents higher than the U.S. price, however. U.S. prices for November-December delivery are now very close to year-earlier offers.

SUGAR AND TROPICAL PRODUCTS

Second Quarter Cocoa Bean Grind Results

U.S. cocoa bean grindings during the April-June 1972 period totaled 145.8 million pounds, off 2.6 percent from 1971 second-quarter grindings of 149.6 million pounds. The lower grind was attributed to strikes in several major chocolate manufacturing plants and to an exceptionally large first quarter grind in anticipation of these labor problems. Reflecting a 20.6 percent increase in the first quarter grind, total U.S. grindings during the first half of 1972 totaled 320.6 million pounds, up 8.9 percent over 1971 January-June grindings of 294.5 million pounds.

Grindings in the United Kingdom were up sharply during the second quarter, totaling 23,800 long tons, a gain of 19.6 percent over the corresponding period in 1971. The U.K. grind during the first half of 1972 has amounted to 45,500 tons, up 13.5 percent over the same 1971 months.

West German grindings during the second quarter registered a 6.4-percent increase to 32,569 metric tons and were up 4.3 percent for the first half of 1972, compared with the same period a year ago.

The Netherlands grind for the April-June period totaled 30,559 metric tons, up 10.8 percent over the 1971 second quarter, and for the first half of 1972 amounted to 62,930 tons, which represents a gain of 6.5 percent over the corresponding months of a year ago.

FATS, OILS, AND OILSEEDS

Philippine Copra Exports Gain Sharply in 1972

Exports of copra and coconut oil from the Philippines during the January-June 1972 period totaled 529,800 metric tons (oil basis)—175,000 tons above the same 6-month period in 1971. This sharp increase reflects the fact that rainfall for the period influencing January-June exports was 42 percent above that for the same months in 1971. In addition, the estimated number of bearing trees increased by about 5 percent.

In the second half of calendar 1972, no significant increase in Philippine exports is expected despite the slight increase in bearing tree numbers. This is due to the fact that rainfall influencing the July-December 1972 period was slightly below the same period a year earlier. Furthermore, cumulative rainfall influencing the 1972 July-December export period was only 20 percent above the amount for the January-June period; in 1971 the increase was more than 75 percent. Should damaging typhoons hit major producing areas later this year, exports for the second half of 1972 could even possibly decline.

A gradual uptrend in production is forecast beyond 1972, based on increasing bearing tree numbers. Seasonal fluctuations in exports should be less in the future, because of the increasing importance of growing areas in Mindanao where rainfall fluctuations are less pronounced.

Cumulative monthly rainfall, which has been an above-average influence on exports since mid-1971, should continue favorable into 1973.

India's Oilseed Meal Exports Decline

India, the world's fifth largest exporter of high-protein meals, reduced exports in calendar 1971 to 822,000 metric tons (soybean meal equivalent)—70,000 tons less than in

1970. In 1971, India's exports of cakes and meals accounted for 7.2 percent of the competition which U.S. exports encounter from foreign meal exports in world markets. The 8-percent decline in 1971 exports reflected reduced exports of all categories, chiefly peanut and cottonseed meals.

Although India's meal exports trended upward by 26,300 tons annually during the 1960-70 period, exports in recent years have been significantly below the record large volume of just over 1 million tons exported in 1964.

Nor is any significant increase in aggregate meal exports expected in 1972. The reduced 1971-72 peanut crop could result in some further decline in peanut meal exports this year. However, any such decline might be about offset by expanded exports of cottonseed meal.

Despite the decline in India's 1971 meal exports, the aggregate movement to Eastern European countries increased—chiefly to East Germany, Hungary, Czechoslovakia, and Bulgaria—although movements to Poland and Yugoslavia declined. Sales to the Communist Bloc accounted for about 60 percent of the exports in 1971. Trade with hard currency markets consisted mainly of peanut meal to Japan and the United Kingdom.

INDIA'S PRODUCTION AND EXPORTS OF OILSEED AND MEALS

[In thousands of metric tons]

Item and year	Peanut[1]	Cottonseed[2]	Rapeseed[3]	Linseed[3]	Copra[4]	Total[5]
Seed production:						
1965-66	4,231	2,008	1,276	503	270	—
1966-67	4,411	2,008	1,228	335	274	—
1967-68	5,731	2,312	1,568	260	274	—
1968-69	4,631	2,138	1,347	438	279	—
1969-70	5,130	2,225	1,564	329	270	—
1970-71	6,065	1,920	1,963	469	281	—
1971-72[6]	5,500	2,400	2,100	455	280	—
Exports:						
1965	764	105	[7]8	1	20	958
1966	617	151	[7]20	12	19	832
1967	569	138	[7]18	5	7	771
1968	710	117	[7]12	14	6	914
1969	527	90	[7]64	23	9	732
1970	655	106	[7]64	27	8	892
1971	623	65	[7]54	25	4	822

[1] Harvested in September-January of year indicated. [2] Harvested in September-April of year indicated. [3] Harvested in January-April of first year indicated. [4] Harvested throughout the year. [5] Adjusted to a soybean meal equivalent basis. [6] Preliminary. [7] Includes other cakes and meals.

GRAINS, FEEDS, PULSES, AND SEEDS

Australian Wheat Goes To Metric Measurements

At the beginning of the next marketing season, December 1, 1972, Australia's wheat industry will drop the use of bushels and long tons and will operate entirely on the basis of metric units. Scales of 1,500 country receival points and 18 shipping terminals are now being converted to metric measurements. All domestic dealings will be in terms of metric tons. Hectares (1 hectare = 2.471 acres) will replace acres in measurement of area.

Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Aug. 9	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 1 CWRS-14	2.06	+2	1.92
USSR SKS-14	(1)	(1)	1.85
Australian FAQ[2]	1.88	+6	1.72
U.S. No. 2 Dark Northern Spring:			
14 percent	1.94	+4	1.86
15 percent	2.03	+4	1.96
U.S. No. 2 Hard Winter:			
13.5 percent	1.85	+3	1.83
No. 3 Hard Amber Durum	1.95	+3	1.78
Argentine	(1)	(1)	(1)
U.S. No. 2 Soft Red Winter	(1)	(1)	1.62
Feedgrains:			
U.S. No. 3 Yellow corn	1.50	−1	1.49
Argentine Plate corn	1.72	−2	1.65
U.S. No. 2 sorghum	1.50	+1	1.54
Argentine-Granifero sorghum	1.52	+2	1.57
U.S. No. 3 Feed barley	1.29	+4	1.13
Soybeans:			
U.S. No. 2 Yellow	3.76	−9	3.65
EC import levies:			
Wheat[3]	[4]1.82	−3	1.45
Corn[5]	[4]1.22	−3	.91
Sorghum[5]	[4]1.23	0	.93

[1] Not quoted. [2] Basis c.i.f. Tilbury, England. [3] Durum has a separate levy. [4] Effective October 14, 1971, validity of licenses with levies fixed in advance is a maximum of 30 days. [5] Italian levies are 21 cents a bu. lower than those of other EC countries. Note: Basis 30- to 60-day delivery.

DAIRY AND POULTRY

U.K. Egg Authority Intervenes in Market

Continued low prices for eggs in the United Kingdom have led to a diversion of 33,000 cases (30 dozen each) from the domestic commercial market. On July 18, after consultation with the Ministry of Agriculture, the Egg Authority bought this quantity for overseas disposition as either shell egg exports or egg products to be contributed to the World Food Program.

At the time of the purchase, prices on the London Egg Exchange were approximately 23-26 U.S. cents per dozen for standard size and 26-30 cents for large—about one-third below the prices which prevailed a year earlier, and more than 10 percent below those of the month before.

Combined with minimum import prices, these low egg prices in the United Kingdom have sharply reduced imports. At the time the egg program was announced, the levy on all egg imports to bring their "cost" up to the level of the minimum import price was 14.7 cents (U.S.) per dozen, besides the normal duty of 1.8 cents.

The market intervention action by the Egg Authority is the first since April 1971, when operations by the Egg Board ceased. However, since March 31, 1970, the U.K. market has been protected by a minimum import price-levy system.

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FOREIGN AGRICULTURE

Secretary Brunthaver Analyzes U.S. Export Record *(Continued from page 3)*

planted or underplanted their allotments or bases. Cropping patterns have shifted on about 60 million acres over the past several years, and a substantial part of this shift occurred in 1971.

The overplanting and the underplanting balanced each other almost exactly so that the total adjustment was not greatly different from what the old penalty program might have achieved. Yet crops were shifted from farm to farm and acre to acre in ways that made for greater efficiency.

This year, we are seeing some interesting shifts affecting soybeans. Under the old programs, many grain and cotton farmers—restricted in their plantings—were fortunate in being able to plant soybeans as a substitute crop. This year, some of these farmers are returning to grains and cotton while others are expanding their planting of soybeans.

The result is that we are seeing a healthy adjustment in soybeans, and at the same time we are getting an overall increase in soybean plantings of more than 3 million acres—a good increase and one that is needed. This increase is rather remarkable when you consider that the set-aside is much larger this year than it was last year. It could not have occurred without the strong export sales that have kept soybean prices at good levels this year.

Record high acreage was attained in 13 of the 32 soybean States—all of these 13 being east of the Mississippi River except for Iowa. Acreages in Kansas, Nebraska, and Arkansas are well below the peak plantings 2 years ago; these are States where soybeans had replaced corn, wheat, grain sorghums, and cotton over the years. Now, with the set-aside, some of these farmers are switching back to their favorite crops.

Cotton is worthy of particular note, with producers expanding acreages in those areas where the crop can be grown most efficiently. Cotton plantings in the Mississippi Delta—one of the premier cotton areas of the world—are at their highest level since 1955. Planted acres in certain areas of Louisiana and Mississippi are 35 to 40 percent above what they were only last year. Here is a case where a strong world market encourages farmers to produce for that market, and the set-aside program gives them the freedom to do so.

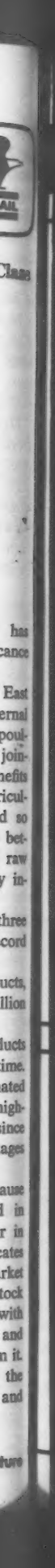
So we are seeing offsetting shifts that may take a while to accomplish. But as farmers increasingly specialize in those crops that suit them best from the standpoint of land, machinery, and their own abilities, it stands to reason that these commodities will be produced more efficiently and will be better able to compete in world trade.

Thus U.S. agriculture is more nearly market directed than it has been for many years, because of the 1970 Act and because of policy decisions that have expanded sales, both in traditional markets and in Eastern Bloc countries. The decision a year ago to eliminate the 50-50 cargo requirement has proved to be of enormous significance—and this is only the beginning.

As the Soviet Union and other East European countries respond to internal demands for more livestock and poultry products, they find themselves joining the world market. This benefits them, and it benefits us. As Agriculture Secretary Earl Butz has said so many times, American farmers are better than anybody at producing the raw materials for livestock and poultry industries.

Evidence of this appears in three statistics from the U.S. export record of the past year:

- Exports of animals and products, including poultry, exceeded $1 billion for the first time.
- Exports of soybeans and products exceeded $2 billion for the first time.
- Exports of corn, at an estimated $900 million, were the second highest on record and the highest since 1966—a year of drought and shortages in a number of countries.

Important landmarks these, because they signal an accelerating trend in other countries toward diets richer in animal products. And this indicates long-term growth in the U.S. market for feedstuffs, livestock, and livestock products—provided we continue with policies that favor such growth and permit our producers to benefit from it.

This, I am convinced, will be the story of American agriculture and trade in the decade of the 1970's.